

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF SOUTH CUMBERLAND)	
WATER DISTRICT FOR RATE INCREASE)	
PURSUANT TO ALTERNATE RATE AD-)	CASE NO. 8672
JUSTMENT PROCEDURE FOR SMALL)	
UTILITIES)	

O R D E R

IT IS ORDERED that South Cumberland Water District shall file an original and six copies of the following information with the Commission by December 17, 1982. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

1. Provide copies of property tax statements for 1981 taxes and an explanation as to why this expense was not included in Account 408.1.

2. The 1981 Annual Report reflects 2,500,000 gallons of water used by free customers. Please explain who these customers were and why they received free services. Explain any benefits received by South Cumberland for providing free water service to these individuals.

3. Copies of the monthly electric bills from Tri-County Membership Corporation are not legible. Please provide the following information from these bills, or additional copies of the bills that contain this information.

1. The monthly KWH usage;
2. The net amount of each bill; and
3. The period of service being charged for,
4. Supply the present rates charged by Tri-County Membership Corporation for supplying electric service to South Cumberland and include any demand charge or customer charge applied to South Cumberland's bill.
5. Provide the name of the utility which provides telephone service to South Cumberland. Also, provide a list of the services and the monthly charge for each service received for the monthly local service charge of \$124.10.
6. Included in the breakdown of the operation labor account, Exhibit E, were several invoices from Municipal Water Works for billing and reports. Please explain the type of reports and services provided by the City for the fee paid during the test year.
7. Please provide the interest rates applicable to each outstanding bond issue.
8. Please explain the types of services provided South Cumberland by Mr. Lloyd Capps and Mr. W.B. Wyatt.
9. Included in the breakdown of operation labor, Exhibit E, is an invoice from Billie Hammer for \$1,436 paid by check number 857 on November 10, 1981. Please explain what services were provided by Mr. Hammer for this payment.

10. Please provide an explanation for the discrepancy between the total amount of expense shown in the invoices in Exhibit E and the operation labor expense listed in the 1981 Annual Report.

11. Included in the breakdown of operation supplies and other expenses, Exhibit F, were invoices issued on August 1 and September 1, 1981, from Don Molden Pipe and Supply. These invoices listed an item number but gave no description of the item purchased. Please provide a list describing the items purchased on these invoices.

12. Please provide an explanation for the discrepancy between the total amount of expense shown on the invoices in Exhibit F and the operation supplies and other expenses listed in the 1981 Annual Report.

13. Please provide a legible copy of the invoice from Dennison Office Supply paid by check number 751 on April 7, 1981, included in Exhibit G, office supplies and other expenses.

14. Included in the breakdown of office supplies and other expenses, Exhibit G, were invoices issued on May 1 and July 1, 1981, from Don Molden Pipe and Supply. These invoices listed an item number but gave no description of the item purchased. Please provide a list describing the items purchased on these invoices.

15. Included in Exhibit G was an invoice for \$40 from Standard Armature and Electric Company. What services were provided for this amount?

16. Included in Exhibit G are several invoices from Brown Supply. These invoices do not adequately reflect an item description or a price for that item. Please provide a list showing the items purchased from Brown Supply and their itemized cost.

17. Included in the breakdown of office supplies and other expenses, Exhibit G, is an invoice from Bruton Wholesale Company for \$72.20 paid by check number 864 on November 10, 1981. Please explain what services were provided by Bruton Wholesale Company for this payment.

18. Provide an explanation for the discrepancy between the total amount of expense shown on the statements in Exhibit I and the insurance expense listed in the 1981 Annual Report.

19. The contract between the City of Burkesville and South Cumberland Water District states that the billing fee is determined by a \$.50 charge per meter plus \$85. Invoices in Exhibit E indicate that the City is receiving \$1 per meter. Provide an explanation for this difference.

20. In Item 10 of the response to the Commission's Order of October 29, 1982, it was stated that 2 extensions of the South Cumberland system were made in 1980. Are any of the

costs relating to these extensions included in the test year expenses? If so, please identify the amounts and the account charged.

21. It is the policy of the Commission to exclude for rate-making purposes depreciation on contributed property. If the utility is opposed to this rate-making treatment, provide justification as to why the Commission should not impose this treatment on South Cumberland.

22. It is the policy of the Commission to exclude for rate-making purposes any line loss in excess of 15 percent when calculating the cost of purchased water. If the utility is opposed to this rate-making treatment, provide justification as to why the Commission should not impose this treatment on South Cumberland.

23. The billing analysis should be expanded to include:

- A) A usage table for each meter size;
- B) A revenue table for each meter size using the test year rates;
- C) A revenue table for each meter size using the proposed rates.

24. The cost support information for the increased connections should be given in greater detail. Please use the format of the enclosed Average Metered Service Connection Expense Schedule.

Done at Frankfort, Kentucky, this 3rd day of December, 1982.

PUBLIC SERVICE COMMISSION


By the Commission

ATTEST:

Secretary

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
P.O. BOX 615
FRANKFORT, KENTUCKY 40602

Average Metered Service Connection Expense

Name of Utility: _____ Address: _____

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch ☐ 3/4-Inch ☐ 1-Inch ☐ 1 1/2-Inch ☐ 2-Inch ☐

Other (specify) _____

B. Materials Expense

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Water Meter	_____	\$ _____	\$ _____
2. Meter Yoke	_____	_____	_____
3. Corporation Stop	_____	_____	_____
4. Meter Box and Top	_____	_____	_____
5. Miscellaneous Fittings	_____	_____	_____
(Itemize)	_____	_____	_____
6. Subtotal (Add column 3)			

\$

C. Service Pipe Expense

Type of Service Pipe: _____ Size of Service Pipe _____

	<u>Quantity</u>	<u>Unit</u> <u>Cost</u>	<u>Total</u> <u>Cost</u>
1. Short Side Service	_____ L.F.	\$ _____ L.F.	_____
2. Long Side Service	_____ L.F.	\$ _____ L.F.	_____
3. Subtotal (Add column 3 and divide by 2)			\$ _____

D. Installation Expense

Labor

	<u>Total</u> <u>Hours</u>	<u>Rate Per</u> <u>Hour</u>	<u>Total</u> <u>Cost</u>
1. Short Side Service	_____	\$ _____	\$ _____
2. Long Side Service	_____	_____	_____
3. Subtotal (Add column 3 and divide by 2)			\$ _____

Equipment

	<u>Total</u> <u>Hours</u>	<u>Rate Per</u> <u>Hour</u>	<u>Total</u> <u>Cost</u>
1. Short Side Service	_____	\$ _____	\$ _____
2. Long Side Service	_____	_____	_____
3. Subtotal (Add column 3 and divide by 2)			\$ _____

Miscellaneous

	<u>Total</u>	<u>Rate Per</u> <u>Hour</u>	<u>Total</u> <u>Cost</u>
1. Inspection	_____	_____	_____
2. Site Clean-Up	_____	_____	_____
3. Other (Itemize)	_____	_____	_____
4. Subtotal (Add column 3)			\$ _____

E. Overhead Expense

1. Installation expense (\$ _____) x
overhead rate (_____%)

\$

F. Administrative Expense

1. Office expense for establishing a new account
and billing record.

\$

G. Expense Summary

1. Total of items B-F

\$